

CITY OF LYNNWOOD

RESOLUTION NO. 2011-09

A RESOLUTION OF THE CITY OF LYNNWOOD, WASHINGTON,  
RELATING TO REDUCTION OF CERTAIN CITY UTILITY TAXES  
UPON THE CITY ATTAINING STATED FINANCIAL  
BENCHMARKS; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the Mayor's Proposed Preliminary 2011-2012 Biennium Budget of September 13, 2010 reflected a deficit of \$21 Million; and

WHEREAS, the Council President formed the Budget Task Group in October, 2010; and

WHEREAS, on November 11, 2010 the Mayor presented the City Council with a Preliminary 2011-2012 Biennium Budget which contained an unstipulated, significant shortfall; and

WHEREAS, the Budget Task Group determined that the Budget deficit was approximately \$24 Million; and

WHEREAS, the City Council determined that the massive deficit could not be reconciled without new taxes on the City's businesses and its citizens; and

WHEREAS, the City Council passed Ordinance No. 2864 increasing the tax on five different utilities from 4% to 6% of the total gross income derived from operation of such business within the City; and

WHEREAS, the City Council acknowledges that this extraordinary measure was necessitated by extraordinary circumstances and should not be construed as a trend, and the City Council intends that upon the City attaining certain financial benchmarks, the utility tax should be reduced as stated in this Resolution; now therefore

THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Council declares that it is the Council's intent that as soon as the following financial conditions are met, the City's utility tax on persons engaged in the businesses of (1) cable television service, (2) electricity service, (3) gas distribution, (4) sewerage operation, and (5) water distribution service, shall be reduced from 6 percent to 4 percent of the total gross income derived from operation of such business within the City:

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2 1. The loan of approximately \$3 Million from the City's Water Utility Fund to the City's  
3 General Fund is repaid in full; and  
4 2. The General Fund Reserve Fund balance is restored to \$4 Million; and  
5 3. Sales Tax collected exceeds Sales Tax projections for three (3) consecutive months.  
6

7 Therefore, as soon as the Finance Director determines that the three conditions stated above are  
8 satisfied, the Finance Director shall bring an ordinance to the City Council for consideration that  
9 amends LMC 3.41.030 to reduce the City's utility tax on the businesses listed above from 6  
10 percent to 4 percent of the total gross income derived from the operation of such business within  
11 the City.  
12

13 Section 2. If any section, subsection, sentence, phrase or word of this Resolution should  
14 be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or  
15 unconstitutionality thereof shall not affect the validity or constitutionality of any other section,  
16 subsection, sentence, phrase or word of this Resolution.  
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18 PASSED by the City Council this 27 day of June, 2011  
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20 APPROVED by the Mayor this 2nd day of December, 2011.  
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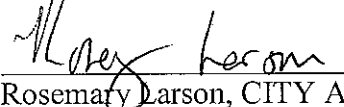
22 APPROVED:   
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26 DON GOUGH, MAYOR  
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28 ATTEST/AUTHENTICATED  
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33 Lorenzo Hines, FINANCE DIRECTOR  
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37 APPROVED AS TO FORM  
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42 Rosemary Larson, CITY ATTORNEY  
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